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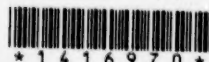
Trade and Development Board**Sixty-first session**

Geneva, 15–26 September 2014

**Draft report of the Trade and Development Board on its
sixty-first session****Held at the Palais des Nations, Geneva, from 15 to 26 September 2014****Contents**

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President's summary

Contribution of UNCTAD to the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020: Third progress report

(Agenda item 5)

1. Sessional Committee I considered the agenda item based on the secretariat report, as contained in document TD/B/61/8.
2. All delegations supported and expressed appreciation of the scope, scale and extent of UNCTAD's engagement in implementing the Programme of Action for the Least Developed Countries for the Decade 2011–2020 (Istanbul Programme of Action) in the research and policy analysis, technical cooperation and consensus-building pillars. They encouraged interdivisional coordination and cooperation at the UNCTAD secretariat in all work pertaining to LDCs, particularly in the implementation of the relevant actions and commitments contained in the Istanbul Programme of Action, as well as continued reporting to the Trade and Development Board.
3. The representatives of several regional groups and delegations expressed concern that the economic performance of LDCs since the recent multiple crises in the areas of food, fuel and finances was still weak and fragile. Even with the growth experienced between 2002 and 2008, many LDCs had not made progress on structural transformation, raising further concerns that their sluggish performance was likely to remain unchanged in the short to medium term, given that the prospects for the global economy continued to be full of uncertainties and risks and that slow growth was likely to persist at least through 2015. This trend was attributed mainly to weak productive capacities and lack of structural transformation in LDC economies at times when growing numbers of people were entering the labour market. There was thus an emerging consensus on the importance of developing productive capacities and promoting structural economic transformation, including diversification, to effectively address the root causes of underdevelopment in LDCs, ensure sustained economic growth and development, expand productive employment and enable LDCs to meet the graduation objective of the Istanbul Programme of Action.
4. Overall, there were constructive discussions with some divergence on the role of LDC Governments and that of development partners. While some delegations emphasized the need for LDCs to assume the primary responsibilities for their development, including by creating conditions for the growth and expansion of the private sector, some other delegations stressed the critical importance of continuing international support measures in favour of LDCs, including through increased official development assistance, improved market access conditions and enhanced foreign direct investment inflows to LDCs. To that effect, it was suggested that special efforts should be made to link official development assistance with national priorities of recipient countries through direct budgetary support and by establishing monitoring mechanisms for donor performance at the national level.
5. On the issue of graduation from LDC status, delegations viewed the Istanbul Programme of Action's goal of "enabling half the number of least developed countries to meet the graduation criteria by 2020" as important though ambitious. The goal could motivate LDCs to embed the graduation target of the Istanbul Programme of Action into longer term development policies and strategies, using it as a catalyst or mobilizing factor for sustained growth and development. Such an approach was the only viable way for LDCs to make sustained progress after graduation and permanently leave the low-income

category of countries. In sum, graduation should be grounded on and supported by building productive capacities, economic diversification, private sector development and accelerated structural economic transformation. Many delegations cautioned, though, that the consequences of the change of status after graduation needed to be considered carefully and called on development and trade partners as well as international organizations, including UNCTAD, to support graduating LDCs during and after the transition phase so as to ensure smooth adaptation.

6. Delegations requested stakeholders, particularly LDCs, development and trading partners and UNCTAD as well as the United Nations system, to increase efforts to implement fully and effectively the actions and commitments in the Istanbul Programme of Action, taking into account the post-2015 development agenda and the forthcoming midterm review of the Istanbul Programme of Action. They also encouraged LDCs to enhance efforts in domestic resources mobilization and rebalancing the allocation of resources, including from development aid, between the social and productive sectors of LDCs with increased attention to the latter.
